# Focus group exploration of firm-employee relationship strength

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# Focus group exploration of firm-employee relationship strength

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# Abstract

**Purpose** – The purpose is to present the results of exploratory research which analysed firm-employee relationship strength from the employee perspective. Three main research questions were explored: What indicators should be used to measure strong firm-employee relationships? How important do employees see relationships to be in the work environment? and how do employees define relationship strength?

**Design/methodology/approach** – Qualitative research in the form of focus groups was utilised. Four focus groups of employees from medium to large regional and national Australian companies were held in a large Australian regional city.

**Findings** – Employees view relationships as being very important in the work environment. The findings revealed a greater degree of consistency between employees' viewpoints about important relationship elements and non-marketing literature. Important elements found were cooperation, empowerment, communication, attachment, shared goals and values, trust and respect. The emphasis on commitment as a key relationship indicator was not supported by the findings. The findings are summarised in a proposed model of relationship strength, positing commitment as a relationship strength outcome. Employees defined relationship strength in terms of the identified elements.

**Research limitations/implications** – This research enables commencement of examination of the value of internal relationships through empirical examination of the proposed model.

**Practical implications** – Management is informed as to what makes the best work environment from the perspective of employees.

**Originality/value** – This paper fulfills an identified gap in the literature in relation to the ability to measure internal firm relationships. It also clarifies the confusing literature on relationship elements, and it posits a model for the empirical assessment of firm-employee relationship strength.

Keywords Focus groups, Relationship marketing, Employee relations, Australia

Paper type Research paper

## Introduction

Internal relationships of the firm have been identified as relationships of marketing interest (Morgan and Hunt, 1994; Gummesson, 1999a; Christopher *et al.*, 1991; Kandampully and Duddy, 1999; Zineldin, 1999; Brookes *et al.*, 1998; Kotler, 1992; Doyle, 1995; Bendapudi and Berry, 1997). Within the relationship-marketing framework, a number of different typologies of internal relationships have been developed (Morgan and Hunt, 1994; Doyle, 1995; Gummesson, 1999a) with consistent agreement that a



Qualitative Market Research: An International Journal Vol. 8 No. 3, 2005 pp. 256-276 © Emerald Group Publishing Limited 1352-2752 DOI 10.1108/13522750510603334 relationship exists between the firm and its employees and that this relationship is of marketing interest. In addition, it is this firm-employee relationship that practicing managers also refer to as being crucial to success. For example, Rosenbluth and McFerrin Peters (1992, 1998) state that the firm-employee relationship is the "first" relationship of the firm and must be strong before the firm can successfully develop any other relationships, including relationships with customers. Other very successful firms identified by Freiberg and Freiberg (1998), Carlzon (1987) and Pollard (1996), have stated that a competitive advantage has been gained by developing strong relationships with their employees. Their general viewpoint is that looking after employees is good for business.

Despite being viewed as important from both the academic and practicing manager viewpoint, the relationship marketing literature lacks understanding of firm-employee relationships (Liljander, 2000). In particular there is a lack of understanding of this relationship from the viewpoint of the employee and little specific knowledge exists in regard to the general internal relationships of the firm, or the firm-employee relationship. Therefore, there is a need to explore firm-employee relationships, how they are created and how they might be best measured so that relationship marketing can move towards measuring and understanding firm-employee relationships in the context of the interaction amongst relationship networks. Such investigation will also move us further towards empirical investigation of the extent to which developing strong relationships inside the firm is good for business.

This paper reports the findings from qualitative exploratory research about the nature of firm-employee relationships from the employee's perspective. The employee perspective became the focus because, as the potentially weaker partner, no relationship can exist unless the employee feels that one exists (Barnes, 1995). The remainder of the paper is structured as follows. First, we present the current situation in terms of the treatment of internal relationships within the marketing literature. We also summarise the results of a review of the strictly marketing focused literature (literature published in marketing journals by marketing academics using a marketing framework) and other non-marketing based literature (literature published outside the marketing domain) in relation to relationships in order to investigate previous understanding of relationships in general. The lack of literature related specifically to internal relationships and disagreement within the extant marketing and non-marketing literature related to identification of important relationship elements provides the basis for proceeding with a qualitative exploratory approach to further investigation. Next, we present a description of our investigation of the phenomenon and report the results of a study conducted to examine employees' descriptions of their relationships with their employing firm. Finally, we posit a model of the elements of strong firm-employee relationships, for future empirical examination and conclude with a discussion of the methodological, theoretical and managerial implications of the research.

#### Literature review

#### Internal relationships

Internal marketing is a well-adopted marketing concept related to employees of the firm, but it draws predominantly on the traditional marketing framework to explain marketing efforts aimed at employees of the firm (Voima, 2000). For example, Foreman



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and Money (1995) developed a measure of internal marketing that captured the ability of the firm to sell the vision of the firm to employees, motivating employees to perform well and rewarding employees for following the firm's vision. This scale was based on previous conceptualisations of internal marketing as turning the 4Ps inward to employees who were treated as internal customers of the firm's marketing efforts, with jobs as products (Berry, 1980; Berry and Parasuraman, 1991; Berry *et al.*, 1991).

Failure to adopt a relationship approach to internal marketing has more recently been noted in the literature (Ballantyne, 1997, 2000b; Mudie, 2000; Varey and Lewis, 2000; Voima, 2000). Mudie (2000) criticised the internal marketing concept for failing to examine internal relationships, especially the feelings of employees about their jobs, their work mates and their managers. Varey and Lewis (2000) called for internal marketing to be concerned with the relationships among members of the firm, while others have identified the need for a general shift in the way internal marketing is viewed (Ballantyne, 1997, 2000b; Gilmore, 2000; Gummesson, 2000; Lings, 1999; Voima, 2000). In particular, Voima (2000) has stated that internal marketing has not yet seen the paradigm shift towards relationship thinking, and called for "a more relevant approach anchored to the ongoing discourse of relationship marketing".

A number of researchers have begun to apply more relationship thinking to internal marketing (Ballantyne, 1997, 2000b; Gilmore 2000; Gummesson, 1999b; Lings, 1999; Varey, 1995; Voima, 2000) but this is limited and rudimentary in terms of providing guidance for proceeding with investigations into a relationship focus for internal marketing. Ballantyne (2000a) has provided a case study example of the application of the relationship development process through the use of internal marketing activities. Gummesson (1999a) has identified internal marketing as one of his 30 relationships, suggesting that internal marketing includes both the creating of relationships between management and employees and also among different functions of the firm. Ballantyne (1997, 2000b), Bejou (1997) and Liljander (2000) have utilised the term "internal relationship marketing" to describe a relationship marketing approach to relationships within the firm. However, this term remains a concept in name only at this stage, as this is an emerging relationship marketing concept.

With little attention having been given to the construction and examination of relationships generally, internal relationships and their constitution remain unknown and under-researched. Hence, exploration of firm-employee relationships from the employee perspective aids in addressing identified issues such as a lack of knowledge related to internal relationship marketing generally (Ballantyne, 2000b; Bejou, 1997; Liljander, 2000) and employee impressions of internal relationships (Mudie, 2000). This investigation commences with an examination of literature which identifies likely relationship components.

#### Relationship components

Considerable effort has been expended on investigating the components of relationship marketing (Morgan and Hunt, 1994). However, discrepancies are apparent in regard to how the marketing literature has viewed relationships and how relationships have been treated in the non-marketing literature. A summary of the elements which have been received attention as relationship elements within both the marketing and non-marketing literature is provided in Table I.



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Element	Marketing literature	Non-marketing literature	Firm-employee relationship
Commitment	Treated as a key relationship element	Focus only as an outcome of a relationship	strength
Trust	Treated as the other key element of relationships	Consistently treated as a key relationship element	
Communication	Consistently viewed as an important relationship element, but not given the same focus as commitment and trust	Consistently viewed as a key relationship element	259
Shared values and norms	Consistently viewed as an important relationship element, but not given the same focus as commitment and trust	Consistently viewed as a key relationship element	
Shared goals Power/dependency	Limited treatment Some treatment as having an impact on a relationship. Often viewed as a negative aspect of level of power and level of dependency on other partner	Some treatment Consistently treated as a key relationship element. Focus often on inter-dependency	
Cooperation	Some treatment as a relationship element	Consistent treatment as a relationship element	
Termination costs	Viewed as an element which creates the need to remain in a relationship	No treatment as relationship element	
Relationship benefits/satisfaction	Some treatment	Some treatment, but viewed more as an outcome	
Opportunistic behaviour	Treated as negative element of relationships	Treated as detrimental to relationships	
Mutuality/reciprocity	Little reference	Considerable treatment as a key relationship element	
Routinisation	Some treatment in terms of justifying why people stay in a relationship	No treatment as a relationship element	
Friendship/liking/ congeniality	One reference in marketing literature	One reference in non-marketing literature	
Empathy	Some treatment as a relationship element	Some treatment as relationship element	
Attraction/attachment/ intimacy	Little treatment	Consistently viewed as a key relationship element	
Equity/justice	One reference	Consistently viewed as a key relationship element	
Conflict	Some focus on this as a relationship element	Little treatment	
Frequency of contact	Not treated as relationship element	Consistently viewed as a key relationship element	
Formality/flexibility/freedom	Not treated as relationship element	Consistently viewed as a key relationship element	Table I.           Relationship elements as
Control	Not treated as relationship element	Consistently viewed as a key relationship element	exposed in marketing and non-marketing literature

Four major	differences	were	noted:
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- (1) There is a major focus on commitment and trust within the marketing specific literature. This appears to be due to the wide acceptance of Morgan and Hunt's (1994) KMV model which advocates commitment and trust as key relationship marketing variables. Frequently, commitment and trust are adopted as the sole indicators of the existence of a relationship (Iverson *et al.*, 1996; Tax *et al.*, 1998; Garbarino and Johnson, 1999). This is unique to the marketing specific literature.
- (2) Commitment has been treated as a relationship element within marketing, but as a relationship outcome within the non-marketing literature. In fact, when discussing the constitution of a relationship, commitment is rarely mentioned in the non-marketing literature.
- (3) Emotional aspects such as attachment and intimacy are largely absent from the marketing literature, but are treated as an important element within other non-marketing focused literature which discusses relationships.
- (4) The relationship marketing literature focuses strongly on negative aspects of relationships, such as conflict, power imbalance, opportunistic behaviour and termination costs, whereas the non-marketing literature does not.

Because of the lack of consistency between the marketing and non-marketing literature in regard to some of the components of relationships, it was necessary to further investigate the nature of relationships. From the review of the literature, questions arose as to the validity of the emphasis on commitment and trust as "sole" indicators or commitment as even an indicator of a strong relationship in the marketing literature, the confusion about "other" possible relationship elements, and the absence of measures of elements of attachment and intimacy when examining such relationships. Therefore, an initial research question emerging from the review of the literature asked:

*RQ1.* What indicators should be used to measure strong firm-employee relationships?

Barnes (1995, p. 108) has stated that: "Relationships are part of the daily lives of most people.... Most people would understand, or would at least have their own personal definitions of, what constitutes a relationship. They would very likely be able to describe roughly what factors would have to be present for them to feel that they have a relationship with another person. It is also likely that they could verbalise a similar set of factors in the case of their relationship with a business." Based on this consideration, this first research question can be investigated through discussions with employees generally about their work environments to see what relationship type elements they highlighted as being indicative of a strong relationship existing with their employer. To this end two sub-questions addressed were:

- *RQ1(a).* What elements do employees highlight as important indicators of relationship strength?
- *RQ1(b).* Are the elements identified by employees as key indicators of strong firm-employee relationships the same elements highlighted in the literature?



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QMRIJ 8.3 Even though the literature states that a relationship between the firm and employees is important, and this is supported by practitioner-based literature (Rosenbluth and McFerrin Peters, 1992, 1998; Freiberg and Freiberg, 1998; Pollard, 1996), there is limited knowledge as to how important employees really view this relationship. Further, such viewpoints have been given from the employer or senior management perspective. Hence, a second question asked:

RQ2. How important do employees view relationships in the work environment?

## Relationship strength

Relationship strength is a concept which has been previously utilised in relationship marketing to represent the depth or magnitude of a relationship (Bove and Johnson, 2001; Shemwell and Cronin, 1995) and its ability to endure (Barnes and Howlett, 1998; Paulin *et al.*, 2000). Relationship strength has been used to measure industrial supplier-buyer relationships (Donaldson and O'Toole, 2000), employee-customer relationships (Paulin *et al.*, 1997; Bove and Johnson, 2000; Shemwell and Cronin, 1995) and firm-client relationships (Paulin *et al.*, 2000). Although the construct has not previously been utilised to represent the degree or magnitude of firm-employee relationships, there is evidence within the literature that such an application of this concept is appropriate. For example, Barnes (1995) stated that firms need to establish "strong positive relationships" with employees, whilst Williams (1997) relates the strengthening of relationships with internal constituents as being critical to a firm's success. Hence, the research was able to focus on a firm-employee relationship strength as the specific construct of interest.

It is not known what elements employees would relate to the term relationship strength, or if they would define strong work relationships as something quite different since the literature does not provide a definitive picture of strong relationships. This is seen most clearly from the marketing perspective, where a myriad of antecedents have been utilised to measure relationships. In addition, relationship strength itself is a concept that has been defined exclusively through literature reviews. If we are to ensure that we are investigating the right concept from the employee's perspective one needs to ensure that employees are viewing the concept similarly to the researchers. Such a test would aid in establishing face (content) validity for the concept prior to any subsequent empirical investigation as recommended by Nunnally and Bernstein (1994). It is important to try to understand a concept from the viewpoint of the sample population if one hopes to undertake valid research. Hence, a third research question became:

RQ3. How do employees define relationship strength?

Arising from these research questions, a research process was developed firstly to examine the elements of firm-employee relationships and secondly to identify possible items for a construct that can be used to measure the strength of firm-employee relationships. This process is explained below.

## Method

The exploratory nature of the research indicated that a qualitative research technique would be most informative at this stage of furthering knowledge about the nature of



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the firm-employee relationship strength concept. Calder (1977), Morgan (1997) and McDonald (1993) have all stated that qualitative research in the form of focus groups is a highly suitable research method for exploratory investigation, especially when little is known about a somewhat subjective phenomenon (Morgan and Krueger, 1993; Rao and Perry, 2003). The concept of firm-employee relationship strength fell into this category.

Focus groups were used for a number of reasons. Firstly, focus groups function as a convenient method for interviewing a number of people (Calder, 1977). They are considered to be an excellent method for gaining insight into a population of interest, their opinions about a particular subject matter (Garee and Schori, 1996; Lawrence and Berger, 1999), and their conceptualisations and the language they use to describe a particular phenomenon (Stewart and Shamdasani, 1990; Basch, 1987). They are useful in circumstances requiring the exploration and definition of complex ideas and terms and where help is needed to decide what themes and concerns are important to a particular audience (Lawrence and Berger, 1999). Focus groups are useful in situations where a need exists to use group interaction to produce data and insights that would be less accessible without the interaction within a group (Morgan and Krueger, 1993). Finally, according to Krueger and Casey (2000), congruency of focus group membership and commonality in experiences is also more likely to provide an environment for enabling individuals to reveal their true feelings about an issue in a way that is not revealed through other forms of questioning.

These research aspects matched the aim of this research, which was to explore the complex notion of relationship strength and its elements in terms of the employer-employee relationship initially from the employee's perspective. In addition, there was a recognised need to discover from employees themselves what they considered to be the important elements of a work environment which built relationship strength.

#### Research design

Purposive sampling was used to recruit participants for the focus groups. Four focus group sessions were conducted, each lasting 60 minutes. The groups were structured so as to gain an adequate cross-section of employee types and level within a firm and years of employment, whilst maintaining homogeneity (based on work type within each group), as directed by Calder (1977), so that a positive and open atmosphere conducive to good information sharing is produced. Participants were all recruited within a single large Australian regional city. A broad range of professions and work environments were represented from various industries and small-medium to large national organisations including national government, banking, and professional services and an academic institution. Jobs represented included loans officer, bank teller, accountant, academics, personal assistants and other administrative positions, salespeople, dispatch clerks, medical secretary and a delivery driver.

Although it is generally acknowledged that focus groups should be composed of 8-12 people (Churchill and Iacobucci, 2002; Fern, 2001; Stewart and Shamdasani, 1990), there is no hard and fast rule about the optimal size of a focus group (Stewart and Shamdasani, 1990). Indeed, there is now an increasing trend to smaller focus group sizes (Fern, 2001; Greenbaum, 2000), even diminishing to as few as two group members (Fern, 2001). Adopting this concept of the smaller "mini-focus group" (Fern, 2001;



Greenbaum, 2000; Krueger, 1994), focus group sizes ranged from four to seven participants with a total of 20 people participating in four focus groups. The use of the smaller groups ensured adequate opportunity for participation from each group member (Krueger, 1994), especially when it was expected that all participants would have a great deal of personal experiences to share about the topic (Krueger, 1994). Smaller groups also provided a less threatening environment with the smaller group size (Fern, 2001; Krueger, 1994) and enabled compilation of more homogeneous individuals within the groups as recommended by Fern (2001). Participants ranged in age from 23 to 55, were predominantly female (65 per cent) and had an average approximate total work experience of 14 years with an average of four years with their current employer. Following Calder's (1977, p. 361) direction that "focus groups should be continued until the moderator can anticipate what is going to be said in the groups", it was found that after the third focus group, participants were repeating information that had already been gleaned from earlier groups. The fourth focus group was held as a final confirmation, but the process ceased at this point as no new information was provided by the members of the fourth group. This followed expectations that fewer than five groups are generally adequate (Fern, 2001; Stewart and Shamdasani, 1990).

One of the researchers took on the role as the moderator. Calder (1977) and McDonald (1993) advocate researchers taking on this role, so they can get closer to the population of interest which helps provide a deeper understanding of the research topic from the subjects' perspective, and provide further insight into previous academic research. As an experienced moderator, this researcher ensured that all participants in all groups were able to express their opinions without domination of the group by a single participant, an identified possible issue when using mini-focus groups (Churchill and Iacobucci, 2002).

The focus groups were semi-structured with participants discussing the open-ended predetermined questions introduced by the moderator. The questions were designed to guide discussion as well as elicit specific details. A discussion guide was prepared to help ensure that the focus groups covered the topic of interest and were all conducted in a similar manner. The guide consisted of written preparatory remarks for the moderator to inform each group in the same manner about the nature of the focus group and exact questions to be addressed in the session (Zikmund, 1997; Greenbaum, 1998).

At each focus group session, the researcher was identified as being interested in aspects of excellent work environments. The word "relationship" was intentionally omitted from the initial discussions, so as not to influence the conversation and thinking of the participants in any way in the early stages of the focus group discussions. Participants were deliberately not informed that the researcher would extract those elements evidencing relationship strength. This was necessary to avoid biasing the process. The researcher specifically wanted to see if the participants would name and highlight elements normally associated with the building of strong relationships without being prompted. In other words, the purpose was to see what relationship strength elements were foremost in employees' consciousness.

Each focus group commenced with a discussion of the broad topic "what makes the best work environment?" This was followed by asking respondents to choose which were the most important elements and finally to define the term relationship strength

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as it applies to the workplace. The moderator also teased out definitions from focus group participants for broad concepts.

Data were collected via whiteboard summaries utilised during the group discussions. To facilitate transcription, the focus groups were also audio taped and the whiteboard summaries digitally photographed. A content analysis was then undertaken, in the form of identification of themes and discussions firstly about each of the previously identified relationship strength elements and also the identification of previously unidentified elements. In analysis, the researchers were looking for consistent reference to elements which had been identified in the literature. Literature definitions were also used to categorise discussion points. The process of data analysis followed Wolcott (1994) in that it incorporated the three major phases of description (relying heavily on verbatim quotes from respondents), analysis (identifying important factors, themes and relationships) and interpretation (making sense of meanings in context). Miles and Hubermann (1994) also recommend intuitive approaches to analysis of qualitative data.

#### Results

Table II provides a summary of the key elements that received considerable agreement amongst the focus group participants as being important for creating strong firm-employee relationships. "Considerable attention" is defined here as reference being made to the concept in all focus groups and given more than fleeting attention in group discussions, that is participants spent some time discussing the concept with agreement amongst group members of its importance to the best work environments. Typical descriptors of each of the identified elements are also included in the table.

*Cooperation* was characterised by helpful behaviours towards each other, such as "helping each other". The ability to work in a team was also seen as an important aspect. One participant saw cooperation as "wanting to do the right thing by each other and support each other's needs at the same time".

Empowerment was identified as an overarching concept represented by discussions about the relinquishment of power (often called "empowerment" by participants) as well as employees having freedom and flexibility in how they do their job. Empowerment received considerable attention from all groups. Descriptors such as "autonomy", "responsibility", "ownership", "accountability" and "delegation" were all used to describe empowerment. Employees generally agreed that they "like being able to show initiative". Participants also commonly talked about supervisors' attitudes here and the desire for them to be "unobtrusive". They liked it when "bosses don't interfere with our work - we get the job done without a manager" and "not having a boss over our shoulder all the time". A definition of empowerment was given as "a team with a loose leader". Associated with empowerment was a consistent view of the identified need for freedom and flexibility in the work environment. This was described as "the ability to choose", "the ability to be flexible", a "feeling of independence", "the freedom to make decisions within the realm of your job" and "flexibility in job tasks". This freedom/flexibility element received considerable and consistent treatment by all focus groups.

*Communication* received considerable discussion in all focus groups. Communication was described as needing to be "good", "effective", "clear", "easy" and "two-way". Both formal and informal communications were seen as important, as



Literature construct	Concept	Descriptors	Firm-employee relationship
			strength
Co-operation	Co-operation	Team work, helping one another Team with loose leader, unobtrusive, bosses	-
Empowerment	Empowerment	who don not interfere/stand over shoulder	
		Ownership, responsibility, autonomy,	265
		accountability, delegation	200
		Able to make decisions, show initiative, be	
		heard and active, follow job through to	
		completion	
	Freedom/flexibility	Feeling of independence, freedom to do your	
		work, flexibility in job tasks	
		Personal flexibility, time, performance levels,	
		mental states	
Communication	Listening	Listening and verbalising	
	Openness	Approachable, easy to talk to, comfortable to	
	T.C. I	talk to, openness	
	Information	Informal and formal meetings, internal and external, guidelines and processes	
	Frequency	Regularity, feeling informed	
	Frequency Content	Effective, clarity, good,	
Attachment	Congeniality	Friendship (team), harmony, getting along,	
Attachiment	Congeniancy	enjoyable, social interaction, compatibility	
	Intimacy	Bonds	
		Caring	
		You grow with your co-workers and develop	
		as a person	
Shared values	Shared values	Formal and informal standards and rules that	
and goals		everyone knows	
		Similar work values	
	Shared goals	Your goals match org., or you agree with	
		direction of org.	
		Personal, mutual goals that everyone knows and works towards	
Trat	Trust	Confidentiality, faith, honesty, fairness,	
Trust	Reliance	Reliance on one another	
	Confidence	"Safe" environment for sticking your	
	Connachee	neck out	
		Able to make mistakes without fear of the	
		consequences and feel supported in your	
		decisions, receiving positives and negatives	
		(mistakes) that are turned into positives	
Respect	Feeling valued	Feeling needed, valued, worthwhile,	
		important, contributing, making a difference	
	Recognition	Being told that you've done a good job,	
	Respected	recognition, appreciation demonstrated Development – career planning/advancement,	
	Respected	self-esteem, prepared for success	
	Worthwhile work	Challenging work	
	Respect	Respect, treated equally, acceptance of one	Table II
	respect	another, empathy, sympathy, give and take	Key elements identified
	Reciprocity in respect	Ability to pat one another on the back,	from focus group
		reasonable rewards, reciprocating	discussions

well as the feeling that one was "being kept informed". Receipt of regular feedback was also frequently mentioned. Listening was also often mentioned. Participants thought that it was important to be listened to as well as listening themselves, with one respondent stating that "there needs to be a willingness to listen to others' views, but you should also be able to state your own", and another "there should be open discussions about issues – what's happening in the whole environment". One participant described the overall importance of communication with the statement: "If you don't have good, effective communication, then you don't know where anyone stands. You feel insecure. That's when all the internal politics start. It's not a nice environment."

*Attachment* was represented by discussions related to two clearly distinguishable elements:

- (1) caring and support; and
- (2) congeniality, intimacy and socialisation.

A caring and supportive environment generally was perceived as very important to participants in all focus groups. This manifested itself with comments such as "feeling" supported by others". "Feeling that they care about you" was deemed important by participants. This was often tied to training and development, job enrichment and promotion. For example, the provision of caring and support was equated to "having the necessary skills and knowledge and resources to do the job" and seeing the relationship as "going somewhere". Job security, personal development and career advancement were all mentioned in discussions and presented as evidence of an environment where management cares and supports employees. The elements of congeniality (and harmony), intimacy (closeness) and social aspects of the workplace seemed to be inter-twined. Participants spent considerable time discussing the importance of "getting along with each other", "the ability to have fun with co-workers", "fitting in (socially)" and "socialising" in the workplace. "Friendship" was frequently seen as a key to creating a good work environment. Intimacy constituted friendship at a deeper level. It encompassed discussions about "bonds" that develop amongst workers. "Liking" your co-workers was also highlighted with one participant stating that "I don't think it would matter who you work with as long as you like the people you are working with". Another participant also talked about co-workers "growing together" as they worked together in harmony.

*Shared goals and/or values.* The focus group participants discussed the importance of having "clear goals", "formal and informal standards and rules", "personal and mutual goals that everyone (in the firm) knows and works towards". Similarity in work values and morals was also discussed, along with the importance of sharing the goals and values of the organisation, for example "your goals should match the organisation, or you should agree with the direction of the organisation".

*Trust* was consistently highlighted as important. However, whilst one group did not actually mention trust by name, they talked about elements associated with trust. Participants talked about needing to have "your boss' trust". However, they also highlighted the importance of co-workers trusting each other with a general trusting environment existing within the workplace, with one participant stating "there's got to be an awful lot of trust". Also included in discussions related to trust was the notion of confidence in feeling that the environment was "safe for sticking your neck out" and



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feeling confident that mistakes would be treated with compassion. Words used to describe trust included "faith", "honesty" and "fairness". "Believing in each other", "being able to count on them (that is, co-workers, supervisors and management generally)" and "having confidence in each other and their abilities" were all terms used by focus group participants to define trust.

Respect. A further area of considerable discussion by participants was later called "respect". Respect is defined as "being esteemed or honoured" (Delbridge and Bernard, 1994) and provided an appropriate overarching construct title to represent discussions about mutual respect and being valued within the firm. Consistent discussion within all focus groups revolved around this notion, and it stood out as being considered very important by employees. In addition, all four groups saw mutual respect as very important. Participants talked about the importance of treating people as individuals and "acceptance of each other as you are". Equity was also a common discussion point. Participants talked about being "treated equally", the ability for co-workers "no matter what level ... to be able to pat each other on the back". One group described respect as a focus on good job design, which made a job "interesting and challenging work". An excellent summary comment was made by an employee who stated that they did not want to "be treated like a machine". They explained this further as management having "realistic expectations of the job that was expected to be done". Feeling valued was exemplified by comments such as "feeling valued for your work", "saying you've done a good job", "feeling that you're making a difference", "feeling worthwhile/useful" and "feeling an important part of the organisation". Employees want to be valued for their contribution to the firm and feel appreciated. One participant was able to make a very clear distinction between two workplace situations. In one situation she was made to feel worthless and unappreciated by her supervisor. This, she said, actually impacted on her whole attitude to life. Upon changing to a new job, she took a long time to adjust to the new environment where she was frequently complemented on her work. Feeling that this is the difference between the two jobs, she stated that "as long as I am appreciated - and told - I will stay in this job". This story exemplifies the importance placed on feeling valued.

#### The importance of strong relationships

Two of the four groups immediately highlighted the existence of "good relationships" as being crucial to a good work environment and without prompting began to discuss the key elements of strong relationships. One focus group session opened with the comment "I think that good relationships are the most important thing", whilst the other group began with the statement that "the most important thing is the people you work with – you've got to have a good relationship with the people you work with". When prompted to define relationship strength, the members of a third focus group came to the conclusion and agreement that "this is what we've been discussing all along".

The findings suggest that employees frequently focus on relationship strength elements as being important to the work environment, as evidenced by the fact that most of the elements highlighted by participants in all groups were relationship strength elements, even without being prompted to talk about relationships and relationship strength. Firm-employee relationship strength

## Discussion

The purpose of this exploratory research was to explore three questions. The findings regarding each of the questions are now discussed in turn. The first identified research question which was addressed by two sub-questions asked:

- *RQ1* What indicators should be used to measure strong firm-employee relationships?
- *RQ1(a).* What elements do employees highlight as important indicators of firm-employee relationship strength?

As seen in the previous results section, and also in Table II, the findings of the analysis of the focus group discussions indicated that cooperation, communication, trust, shared goals and shared values and empowerment to a lesser extent were expressly identified and discussed by participants as indicators of firm-employee relationship strength. In addition, attachment and respect were implied through identification of distinguishable elements. Those groups not expressly referring to empowerment discussed empowerment and freedom and flexibility in terms of the power that was afforded employees to take charge of their own jobs without interference from superiors. Attachment was represented by friendship, harmony (congeniality), social interaction and levels of intimacy by the participants but clearly exhibits the characteristics of attachment as defined in the literature (McCall, 1970; Lewis, 1998). Respect was rated very highly by all respondents. As seen in the previous section, partners talked about respect in terms of the need for mutual respect. Respondents also considered that feeling valued was an important element, which can also be considered an aspect of respect (that is feeling valued).

The second sub-question related to identification of the indicators of relationship strength and asked:

*RQ1(b).* Are the elements identified by employees as key indicators of strong firm-employee relationships the same elements highlighted in the literature?

Table III provides a comparison of the relationship components identified by focus group participants and those extracted from the marketing and non-marketing literature.

Firstly, as with both the marketing and non-marketing literature, the focus group findings confirmed the importance of cooperation, communication, trust and shared goals and values as elements of strong relationships. The focus group findings also supported the non-marketing literature in terms of the inclusion of the "attachment" and "empowerment" overarching constructs. Indeed, considerable emphasis was placed on both constructs by focus group participants (as indicated by italics in Table III), as well as communication. Participants were very clear on the need for friendship, congeniality and harmony which are aspects of attachment and talked at length about such aspects of work relationships. Participants were also very clear in their reference to power. Certainly, the general lack of discussion in relation to the negative aspects of power supports Morgan and Hunt's (1994) position regarding the use of power as a central relationship marketing construct. Morgan and Hunt (1994) suggested that power held negative connotations for relationship building, in that it is concerned with compliance resulting in the exercise of power and the eventual



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destruction of trust and commitment, thereby emphasizing failures in relationship marketing. In similar vein, it could be seen that focus group participants did not discuss this control element, as they did not associate good work environments and relationships with this notion of power. However, Morgan and Hunt (1994) also acknowledged that power does play a part in relationships, recommending the inclusion of power in subsequent research of their model.

Indeed, the focus group findings served to provide insight into how power should be treated in relationship marketing and in the Morgan and Hunt (1994) KMV model. The findings also provided support for the non-marketing view of the treatment of power in relationships. Focus group participants associated more with sharing or being given power, often referred to as "empowerment". For example, participants talked about "not having a boss over your shoulder all the time", "being able to show initiative", "being given responsibility", "being able to make decisions on the spot", and having bosses who "don't interfere with our work".

There is considerable evidence in the literature generally to support the findings from the focus groups that empowerment may be synonymous with dependence (also called co-equal power) (Anderson *et al.*, 1987; Homans, 1958; Lusch and Brown, 1996; Macneil, 1980; Sabatelli and Cecil-Pigo, 1985; Thibaut and Kelley, 1986; Wish *et al.*, 1976) and that this treatment of power is an important construct when examining relationships (Anderson, 1994; Anderson *et al.*, 1987; Anderson and Narus, 1984; Dwyer *et al.*, 1987; Gummesson, 1999a; Gundlach *et al.*, 1995; Håkansson, 1982; Hinde, 1979; Lewis, 1998; Moorman *et al.*, 1993).

Respondents placed considerable emphasis on an element identified as "respect". This concept represented by "respect" is defined as the showing of respect and empathy, and feeling valued. However, such a construct has received very limited attention in both the marketing or the non-marketing literature to date. However, Hinde (1979), Perrella (1999) and Lewis (1998) have all treated respect as a key element in interpersonal relationships. Given the considerable emphasis placed on this notion by participants in all groups, it was thought that a "respect" construct might actually play a more prominent role in relationships than the academic literature had previously considered.

Together with trust, commitment has received considerable attention and treatment as a key element of relationship building in marketing. However, this view of commitment as a key relationship indicator did not appear to have support by focus group participants. Whilst support for trust as a key indicator was found (discussed

Concept	Focus groups <sup>a</sup>	Marketing literature <sup>a</sup>	Non-marketing literature
Cooperation	х	XX	Х
Communication	XX	х	Х
Trust	Х	XX	Х
Attachment	XX	_	Х
Empowerment	XX	_	x
Shared goals/values	Х	X	Х
Respect	Х	_	х
Commitment	_	XX	-

 Table III.

 Comparison of extracted

 firm-employee

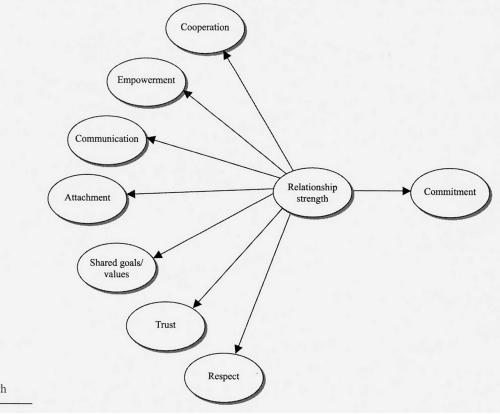
 relationship strength

 elements

Firm-employee relationship strength

above), commitment does not appear to be viewed as an element of relationship strength, receiving virtually no attention from the focus group participants. Likewise, it has received no particular attention as a relationship element in the non-marketing focused literature. Commitment to a relationship is certainly crucial in a relationship marketing situation, as it pertains to the likelihood of continuing in the relationship (Dwyer *et al.*, 1987; Morgan and Hunt, 1994). The lack of attention to commitment by focus group participants is thought to perhaps confirm the treatment of commitment as the outcome of building strong relationships. The findings also suggest the need for further investigation into the utilisation of commitment and trust as the sole key mediating variables, as recommended by Morgan and Hunt (1994).

Hence, to provide an answer to the RQ1, a model of firm-employee relationship strength was developed from the findings of the focus group research and its linkage to the extant literature and is shown in Figure 1. Based on the discussion of findings from the focus group research, the model posits cooperation, empowerment, communication, attachment, shared goals and values, trust and respect as indicators of relationship strength. Recalling that "commitment" was not mentioned by focus group participants as an important element which is supported in non-marketing specific literature, commitment to the relationship is retained and positioned as an outcome of the



**Figure 1.** Firm-employee relationship strength



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proposed model in order to demonstrate a posited association of this very important relationship marketing variable to the relationship strength construct.

RQ2. How important are relationships to the work environment?

In their discussions about what makes the best work environment, the focus group participants almost exclusively focused on elements related to work relationships. This provided confirmation, from the point of view of employees, that relationships are a very important aspect of the work environment, if not the most important. Hence, the findings suggested that relationships were a very important factor in the work environment. This supports previous practitioner literature from relationship-focused managers (Freiberg and Freiberg, 1998; Pollard, 1996; Rosenbluth and McFerrin Peters, 1992, 1998).

*RQ3.* How do employees define relationship strength?

In reviewing the way in which participants defined the relationship strength construct, it would appear that employees define relationship strength in similar terms to those used in the academic literature. Participants defined relationship strength as what was being discussed in the focus groups. When asked to think about the strength of work relationships, employees are likely to focus on those elements identified in Table II above, which have previously been identified consistently in the literature as relationship elements. Significantly, it would appear that employees are also likely to equate a good work environment with the strength of the relationships in the workplace. This finding also provides evidence of face (content) validity of the relationship strength concept and the proposed model (Figure 1).

#### **Conclusions and implications**

This research has explored the nature of good work environments from the perspective of the employee. It has also provided further evidence for the support of those elements which could most likely be related to the building of strong relationships between the firm and its employees.

There are some limitations to the research related to the chosen methodology and sample. Utilisation of a qualitative method and subsequent small sample size and characteristics does provide issues of representativeness and generalisability, which can be overcome by subsequent replication and empirical assessment.

The research examined relationship elements which were considered important by employees for the creation of good work environments. The focus groups provided considerable insight into the elements of good work environments. It would appear that those relationship characteristics seen as effecting the work environment for employees are more in keeping with how researchers outside marketing have described relationships. In particular, more emphasis was placed on the "inclusive" and "affection" aspects of relationship building by focus group participants. This is in line with what was found in the non-marketing literature rather than what was found in the marketing literature. These findings suggest that other disciplines may offer considerable insight into the examination of relationships in marketing, especially in terms of the firm-employee relationship. Looking beyond an immediate discipline can be seen to enrich a discipline and aid its growth, especially younger disciplines. For this research, emotional elements and an alternative viewpoint of the part commitment Firm-employee relationship strength

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plays in relationship building was uncovered by exploring beyond the relationship marketing literature and confirmed by the research findings.

Furthermore, it can be concluded that those participating in the current research did nominate relationship strength variables as important to the work environment. In fact, such elements were generally considered imperative to the existence of a good work environment. For the focus group participants, building strong relationships was important to the internal customer of the firm. This provided further support for the practitioner-oriented literature which has highlighted the importance of building strong relationships with employees.

The research has provided the opportunity for the examination of a new direction for relationship marketing research, indicating evidence of a considerable degree of complexity in examination of relationships. Using the population of interest to inform the research proved beneficial and greater use of such techniques is recommended. For example, given the state of previous literature "respect" would have been ignored as a possible important indicator of firm-employee relationship strength.

Implications for management relate to the importance of relationships in the work environment as well as considerable insight into the psyche of employees in respect of how they want to be treated. It would appear that relationships are very important in the workplace in the opinion of employees. This research has given some indication of what constitutes a relationship form the employee perspective and hence identified what needs to present in the work environment to build strong relationships. The implication is that perhaps the few practitioners who have written about the importance of strong relationships with employees and the link to business success and competitive advantage should be more closely and better heeded.

Future research includes empirical assessment of the proposed model, which is now informed by the literature and exploratory focus group research. This will enable empirical investigation of the firm-employee relationship, a marketing relationship that lacks attention in the marketing literature. It also provides the basis for being able to measure and assess relationship strength which practitioners can utilise as a tool for not only measuring the strength of the relationships but also to identify areas for improvement. It brings the literature closer to being able to empirically examine the extent of those claims by managers already practicing relationship building (Rosenbluth and McFerrin Peters, 1992, 1998) that building strong relationships with employees is good for business.

Finally, we now need to look to the other side of this dyad and investigate the concept of relationship strength from senior management perspective. Whilst some of the literature examined for this research demonstrated a deep understanding of the need for building strong relationships with their employees (Carlzon, 1987; Freiberg and Freiberg, 1998; Pollard, 1996; Rosenbluth and McFerrin Peters, 1992,1998), these may be unique examples. Such investigation requires examination of what senior management perceive as important elements of the work environment, their definitions of the notions of cooperation, empowerment, communication, attachment, shared goals and values, trust and respect and compare this to the employee perspective.

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